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ONE HUNDRED TENTH CONGRESS

**U.S. House of Representatives**  
**Committee on Energy and Commerce**  
**Washington, DC 20515-6115**

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October 1, 2007

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The Honorable Kevin J. Martin  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Dear Chairman Martin:

By completing the digital television transition, we are fulfilling a 9-11 Commission recommendation and making good on our promise to give First Responders 24 MHz of spectrum and \$1 billion for emergency communications. We are also bringing consumers a variety of improved digital services. With the February 17, 2009, date still almost a year-and-a-half away, we have made great progress. We commend you for the good work the FCC has done completing the assignment of DTV channels to licensed broadcasters. The NTIA has also risen to the challenge, having set the rules for the converter-box program and selected IBM to oversee distribution of coupons to consumers.

The vast majority of viewers receives television programming through subscription services from cable operators, satellite providers, and now even telephone companies. Those providers will handle the transition for their subscribers. Under the law we passed last Congress, the minority of consumers who may still rely on analog, over-the-air television after the transition can request up to two converter-box coupons starting January 2008. The Congressional Budget Office believes that the \$1.5 billion the Congress allocated to the program is enough to cover projected demand. Even by broadcaster estimates, there will only be demand for 23 million coupons. The consumer electronics manufacturers—the ones building the digital televisions and converter boxes—believe demand for coupons will be closer to 8 million. The \$1.5 billion available can pay for 33.5 million coupons, plus administrative expenses.

The focus now must be on educating consumers. We are glad to hear that the FCC and the NTIA are coordinating on public outreach, both with each other and with

the DTV Transition Coalition of industry participants and consumer groups. We understand the FCC and the NTIA are already making materials available in paper and electronic formats, as well as creating web sites and telephone hotlines. Broadcasters, pay service providers, manufacturers, retailers, and consumer groups are perhaps in an even better position to conduct public outreach, since they have direct relationships with consumers. They, too, have already set wheels in motion, and the cable industry's first public service announcements are already hitting the airwaves.

Some people worry, nonetheless, that voluntary industry efforts may not be enough. That is why this past January, we and Mr. Hastert introduced H.R. 608, the Digital Television Consumer Education Act of 2007. The bill would replace consumer education requirements in the original DTV legislation that were unfortunately stripped by Senate procedural rules.

With all this in mind, we would like to ask you the following questions as attention turns to the next phase of the DTV transition. Please provide our staff with written answers no later than Friday, October 12.

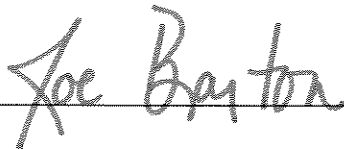
1. Chairman Dingell and Chairman Markey sent you a letter in May 2007 asking that the FCC implement consumer education provisions similar to those contained in our January bill. The FCC may currently lack the authority to adopt such provisions under the Communications Act, however, which is what prompted our introduction of H.R. 608. While you have sought public comment on your existing authority to implement consumer education provisions, the pleading cycle is only now closing. If you conclude that you do not have sufficient authority, or if you act and there is a court challenge, it may be too late to grant the FCC the authority to adopt requirements.
  - a. When do you plan to rule in the proceeding on the consumer education initiative?
  - b. If voluntary industry efforts combined with current and ongoing government outreach is not sufficient, do you think it would be wise to begin moving H.R. 608 now to ensure that the FCC has the requisite legal authority in this area?
2. The FCC's most recent video competition report, issued March 2006, indicated that as of June 2005, only 14 percent of U.S. television households rely exclusively on over-the-air television. This kind of information is relevant to determining how many people may participate in the converter-box coupon program. The number of exclusively over-the-air homes may be continuing to decline as more people sign up for video services from cable, satellite, and phone companies. Moreover, even exclusively over-the-air households will not need a converter box if they already have digital televisions, something becoming all the more likely now that the FCC requires

all television receivers manufactured after March 1 of this year to have digital tuners.

- a. When do you expect to release the next video competition report?
- b. Will the report indicate not only how many exclusively over-the-air homes there are, but also what percentage of those homes may have digital tuners? Can the FCC extrapolate that information from data on past purchases of digital televisions and the purchase of all television receivers manufactured after March 1, 2007, or from other sources?
- c. On what date will the data in the next video competition report be based?
- d. Does the FCC have any plans to estimate the number of homes, as of February 17, 2009, that will neither subscribe to a pay service nor have a television receiver with a digital tuner, since these are the homes that will most need a converter box?

Thank you for your attention to this matter.

Sincerely,



Joe Barton  
Ranking Member  
Committee on Energy and Commerce



Fred Upton  
Ranking Member  
Subcommittee on Telecommunications  
and the Internet

cc: Commissioner Michael J. Copps  
Commissioner Jonathan Adelstein  
Commissioner Deborah Taylor Tate  
Commissioner Robert M. McDowell